

1. STATE PARKS

- a. Appoint Staff to be Hearing Officers for purposes of Conducting Public Hearings related to Proposed Amendments to Certain Sections of Chapter 13-146, HAR for the State Parks System to allow for Overnight Accommodations to be reserved via the Internet, Payment by Credit Card and to Charge a Service Fee, and make other substantive and technical amendments relating to clarifying management action and regulatory powers;
- b. Establish parking fees at certain State Parks, Monuments, Recreation Areas, and Waysides and Authorize the Chairperson to issue and Invitation for Bids, Concession, Agreement or Other Public Process as Allowed by Law, such as a Request for Proposals, and to Award a Contract Related to Parking;
- c. Increase Fees for Overnight Accommodations at State Parks;
- d. Establish Commercial Filming Fees for State Parks;

INFORMATION

The Division of State Parks, as part of the Recreational Renaissance, is requesting three distinctly different but related actions by the Board to allow for improved service to the public and increase revenue generation for improved management capacity for State Parks.

a. Conduct public hearings and amend sections of Chapter 13-146 HAR

There are several components to this request. State Parks must implement rule changes to allow for camping and lodging reservations via the Internet, permit payment by credit card and to charge a service fee. Chapter 13-146 currently does not provide for the issuance of camping and lodging permits via the Internet. The Hawaii Island Consortium is currently creating the State Park Internet Camping and Lodging Reservation website. At present, global and local customers must obtain permits by mail, telephone, or walk-in, which adds to the administrative cost of permit issuance. This is a very cumbersome process that results in unnecessary delays, conflicts in the permitting process and disappointment from the public. The projected date to go online with the new site reservation is January 2010. The proposed revised fee schedule that is an appurtenant request of this submittal will not go into effect until the website is operational in 2010.

The downturn in the economy, creating the unprecedented fiscal crisis and subsequent budget cuts, makes additional revenue generation imperative to simply maintain current staffing and operations for the routine maintenance of 69 State Parks and managed areas. Without the passage of the Recreational Renaissance (Rec Ren) the anticipated and critically needed capital improvements to various State Park facilities is fiscally impossible. However, the increase in revenue via the fee increase for camping and new

fee for parking will contribute to the currently needed repair and maintenance of park facilities that will still be initiated as part of Plan B of the Rec Ren.

Given this scenario, there is a need to further amend Chapter 13-146, to include a provision to charge for entry fees at appropriate State Parks. Finally, there is also a variety of technical and some definition amendments to improve the regulatory effectiveness of the current HAR (see attached Proposed Chapter 13-146 Amendments)

b. Establish parking fees at certain State Parks, Monuments, Recreation Areas and Waysides

This request is also related to the discussion above. Currently, Chapter 13-146-5 HAR allows for the Division to charge a fee for parking, as set by the Board. Currently, the only State Park in the entire system with the only comparable fee (in this case for entry) is Diamond Head State Monument – at \$5 dollars per vehicle, \$1 dollar for pedestrians. Upon the review of patronage data through studies funded by the Hawaii Tourism Authority (HTA) there is a list of parks across the state that have both the patronage and parking infrastructure that make charging for parking both physically and fiscally feasible. As was put forth in the Rec Ren, the intent of State Parks is to charge only visitors and commercial vehicles a fee, and allow resident parking to remain free of charge.

The following list of parks, monuments, recreation areas, and waysides has been identified as suitable for charging parking fees:

Hawaii

- Akaka Falls State Park
- Hapuna Beach State Recreation Area

Maui

- Makena State Park
- Iao Valley State Monument

Oahu

- Ka Iwi Scenic Shoreline
- Nu`uanu Pali State Wayside (\$3.00 per vehicle due to reduced time of visit by patrons)

Kauai

- Ha'ena State Park
- Koke'e and Waimea Canyon State Parks

The following parking fees shall be applied:

General Public

Resident: no charge

Visitor: \$5.00 per vehicle (\$3.00 at Nuuanu Pali due to limited stay of visitors)

Commercial vehicles regulated by the PUC:

1-7 passenger vehicles: \$10.00

8-25 passenger vehicles: \$20.00

25 + passenger vehicles: \$40.00

There are a variety of issues associated with several of these locations that must be resolved prior to the initiation of charging for parking. For example, at Ha'ena, the road leading through the park is under the jurisdiction of State DOT – a management agreement must be executed to more effectively manage the flow of vehicles and to establish parking control centers.

When advocating for an entry fee, the Division was envisioning staffed booths, such as at Diamond Head – which has significant costs related to booth construction and staffing. Some locations, such as Ka Iwi, may not have sufficient visitor patronage and revenue for this scenario to offset the associated costs of the staffed booth.

However, DLNR staff have subsequently met with parking consultants and have concluded that there is methodology and new technology that allows for the private sector to install small, sturdy, unmanned equipment capable of processing payment by credit card and currency – that would differentiate between visitor and resident, and that would also create a very accurate data base of patronage. There is an additional request associated with this submittal to authorize the Chair to issue an Invitation for Bid and to award a contract to a private company(s) that have the capability of designing and managing this type of parking fee system.

c. Increase fees for overnight accommodations at State Parks

Camping fees for Hawaii State Parks have not been increased in a decade (1999). Lodging fees have remained static for 14 years – last increased in 1995. The opportunity to camp and lodge within a State Park is a short-term exclusive use of a public area, and there are costs for operations, campsite/cabin maintenance and clean-up, composting toilet maintenance and other related infrastructure. The current fees, particularly for camping, do not defray these costs. As stated, State Parks plans to implement the proposed new fees, simultaneously with the greater convenience and efficiency to the public of the on-line reservations and permits.

This proposed increase includes a two-tiered fee schedule, one for non-residents and a lower cost for Kama'aina. This allows the Division to keep costs down for local families

while passing on a slightly larger fee to out-of-state visitors, who are typically more accustomed to paying higher fees for similar services in other states and nations. The Division is proposing a modest rental fee increase for cabin/lodging opportunities within the parks, while simplifying the rate schedule. A larger increase is not warranted at this time given the age and the condition of the State Park cabin inventory.

The Division is proposing an increase in camping fees. For Napali Coast State Wilderness Park, a world-renowned destination, at \$15 per night for residents and \$20 per night for non-residents. At over 6000 acres, Na Pali is Hawaii's largest park, and contains both unique and fragile ecosystems and extensive archaeological resources. Managing this park is a tremendous fiscal challenge given its inaccessibility and topography, requiring helicopter access and boat access. At present, there is not a single park employee dedicated full-time to its management. An HTA study calculated that in 2004 the number of hikers was 537,480. Recent State expenditures for the park will include an over \$ 800,000 grant-in-aid for improvements to the first two miles of the Kalalau trail, which provides campers the only overland access to the park.

A comparison with the other 49 states indicates that the existing fees for camping in Hawaii State Parks are the lowest in the country and currently there is no charge for a reservation fee or other service fees. All 50 State park systems charge a per-site fee and a number of other states charge higher fees for out-of-state visitors. Most also charge non-refundable reservation fees, change fees and cancellation fees. Most have a fee range depending on seasons and campsite amenities, which are not applicable to Hawai'i.

The fee range for all 49 other States for a comparable site (restroom, showers and picnic table) to those offered in Hawaii parks, exclusive of reservation fee, is from \$6 per night (low range for Wyoming) to \$74 per night (high range for New Hampshire). **Mean = \$15/night.**¹ Non-refundable reservation fees, when charged, range from \$2-\$10.50 per permit.

¹ Average was calculated for the base campsite rate, typically for 4-8 campers max. Many states charge fees per additional camper.

State Park Current and Proposed Fee Comparison			
<u>Accommodations</u>	<u>Existing Fee</u>	<u>Proposed Resident Fee</u>	<u>Proposed Non-resident Fee</u>
Camping sites	\$5/night per site	\$12/night per site *	\$18/night per site **
Na Pali Coast Wilderness Area camping	\$10/night per person	\$15/night per person	\$20/night per person
Hapuna Beach State Recreation Area A-frame cabins	\$20/night per A-frame	\$30/night per cabin	\$50/night per cabin
Mauna Kea State Recreation Area cabins (weekend only)	\$35-\$45/night per cabin	\$50/night per cabin	\$80/night per cabin
Group cabins	\$55/night + special group rates per cabin	\$100/night	\$150/night
Polipoli Springs State Recreation Area (1 cabin)	\$45/night + \$5 pp over 4 persons per cabin	\$60/night per cabin	\$90/night per cabin
Wai'anapanapa State Park cabins	\$45/night + \$5 pp over 4 persons per cabin	\$60/night per cabin	\$90/night per cabin
Kalopa State Recreation Area group cabins	\$55/night + special group rates per cabin	\$60/night per cabin	\$90/night per cabin
Per Person (pp) * For resident camping permits - a fee of \$2 per person is assessed per site over 6 campers. ** For non-resident camping permits - a fee of \$3 per person is assessed per site over 6 campers.			

d. Establish commercial filming fees for State Parks

The department currently issues commercial filming permits in accordance with an MOA between DLNR and the Hawaii Film Office of DBEDT. According to the MOA, DLNR does not assess a fee for commercial filming on DLNR areas, with the exception of the Division of Boating and Ocean Recreation which charges \$100.00 per day except for non-profit documentaries. The Department would like to renegotiate the MOA and charge a fee consistent with the DOBOR fee schedule and/or the fee schedule of other state agencies that charge for commercial film permits.

STATE PARKS RECOMMENDATIONS:

That the Board:

1. Approve the Chairperson to appoint staff to be hearing officers for purposes of conducting public hearings related to proposed amendments to certain sections of Chapter 13-146 as proposed in the attached draft of amendments to Chapter 13-146 HAR, pending review and approval by the Office of the Attorney General.
2. Approve the amount of the proposed parking fees and to charge such fees as described above at the identified State Park areas and to authorize the Chairperson to conduct an Invitation for Bids, Concession Agreement or other public process as allowed by law, such as a Request for Proposals, and to award and enter an appropriate Agreement for parking fees collection and remittance to the Department for the purpose of generating revenues to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also assist with repaying bonds issued for DLNR's *original or any approved Recreational Renaissance* plan.
3. Approve the increase in lodging and camping fees at State Parks as described above for the purpose of generating revenues to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also repay bonds issued for DLNR's *original or any approved Recreational Renaissance* plan.
4. Approve the filming fee of \$100.00 per day and/or the amount of fees charged by other state agencies for commercial film permits and delegate to the Chairperson the authority to renegotiate the MOA with the Hawaii Film Office of DBEDT.

Attachment:

1. Proposed revisions to Chapter 13-146 HAR (subject to review and approval by the A.G.)